



# **Electrifying Alberta**

**There Are Two Alternatives . . .**

**Yours Is The Choice**

## THE NEED

**T**HE orderly development of Alberta's power resources and the extension of rural electrification throughout the Province as rapidly as possible are important and necessary steps which must be undertaken in the best interests of both our urban and rural communities.

In Alberta, the general prosperity of our cities, towns and villages depends primarily on the stability of our basic industry—Agriculture. Few factors can contribute more toward modernizing farm operations and farm homes and making rural life more attractive than the availability of an adequate supply of electrical power.

There are numerous ways in which the use of modern electrical equipment on the farm can substantially reduce the costs of production and at the same time eliminate a great deal of burdensome toil. Few things can contribute as much to the comfort and convenience of the farm home as practical electrical appliances: electric lights, washing machines, pressure water systems, stoves, refrigerators, vacuum cleaners, food mixers and numerous other conveniences. It is estimated there are over 300 ways in which electricity can be used to advantage on a farm.

Alberta's power resources already have been developed to the place where they now are producing approximately 232,000 horsepower of electrical energy. There are today over 4,217 miles of main and secondary transmission lines throughout the Province serving some 281 urban communities in addition to which over 1,803 miles of rural lines are providing electricity to approximately 3,369 farm homes.

## THE CHOICE

Alberta now has reached the place where her people must decide which of two alternative policies will best serve the interests of the Province in the further development of her power resources and in the distribution of electrical energy throughout the rural communities of the Province.

One course is to rely on Power Companies to develop our power resources and extend the distribution of electricity throughout the Province as a private business. The other course is to make electricity a publicly-owned utility to be distributed throughout the Province by an independent Power Commission as a public service.

In deciding an important matter of this kind, careful consideration should be given to the advantages and disadvantages of each alternative. In either case the very real problems created by the prevailing shortage of certain materials and electrical equipment must be faced. This is also true of the problem created by the present shortage of qualified linemen and other skilled workmen in the field of electrical engineering. These are problems which time alone can overcome.

The most frequently advanced major advantage of leaving the generation and distribution of electrical energy in the hands of Power Companies is that since only private capital is invested in the Companies the private shareholders assume all the financial risk. No demand can be made on the public revenues of the Province in the event of financial loss.

On the other hand many point out that there are three main disadvantages to the production and distribution of electricity being carried on by Power Companies.

1. The rate of development is limited by the amount of private capital and company profits available for expansion. For this reason it is a common practice for Power Companies to require residents of rural communities to raise most, if not all, the capital required to install the local transmission lines necessary to serve their community. This policy has the

effect of excluding from participation in a rural electrification programme those communities which are unable to raise sufficient local capital to make such a plan operative.

2. Because the Companies must realize a profit to continue in business it is natural that they tend to expand their rural facilities only in those communities where satisfactory financial returns are assured. This policy again has the effect of excluding rural communities where the risk of incurring financial loss would be greater and the prospects of obtaining reasonable profits would be less.

3. The rates of the Power Companies are fixed by the Board of Public Utility Commissioners. In fixing rates the Board must take into account among other factors not only the matter of satisfactory financial returns to the shareholders of the Power Companies but also the heavy taxes which they are required to pay. The present Dominion income and excess profits taxes alone paid by the Power Companies operating in Alberta amount to approximately \$675,000 per year. This substantial sum together with any returns to the shareholders over and above moderate rates of interest on capital invested must all be included in the Company's operating costs and added into the rates which the users of electricity are required to pay.

Considering now the other alternative, the following disadvantages of making electricity a public utility, generated and distributed by an independent Government Power Commission frequently are pointed out.

1. A very substantial sum of money would have to be raised by way of debentures to enable the Commission to purchase from the Power Companies the existing power facilities and to carry out a large scale programme of development and rural distribution. It is not possible to make an accurate estimate of this figure as the amount which the commission would be required to pay the Companies for their existing facilities would in all probability be determined by a Board of Arbitration while the amount required for an adequate programme of development would depend upon the rate and extent of the expansion.

2. These debentures would be backed by the credit of the Province and the people of the Province as a whole, therefore, would have to assume any financial risk involved in the operation of the project.

As against these disadvantages, certain definite advantages must also be taken into consideration. Many representations made to the Government have pointed out that:

1. Raising capital by the issue of public debentures would assure money being obtained at the lowest possible rates of interest and would eliminate the need for communities to raise locally most or all of the capital required to electrify their particular area.

2. The function of the Power Commission would be to produce and distribute electrical energy at the lowest possible cost. Its interests would not be limited to serving only those areas from which the greatest financial returns could be realized but rather it would proceed step by step towards the implementation of a comprehensive co-ordinated programme which would have as its objective the providing of electrification of all areas of the Province where the distribution of electrical energy was found to be feasible.

3. The Government Power Commission would not be subject to taxation and its revenues would not have to include any sums to provide financial returns to shareholders over and above its ordinary debt service charges. The operating costs thus saved could be used either to reduce rates or to pay for further expansion of the power system.

## THE PLEBISCITE

The time has arrived when a definite decision must be made as to whether the requirements of the people can best be met by the generation and distribution of electricity being continued and extended by the Power Companies as at present or by the generation and distribution of electricity being taken over and extended by the Alberta Government Power Commission as a publicly-owned utility.

Inasmuch as the decision made in this important matter will directly concern every citizen of the Province, the Government believes that the people themselves should be consulted and given an opportunity to express their preference. This procedure is in full accord with the highest concept of truly democratic government. Once the people have declared which of the two alternative policies they prefer the Government will regard the implementation of that policy as an inescapable obligation and responsibility. A plebiscite on this important question will be furnished for each elector in conjunction with the provincial general election on August 17th. The plebiscite is reproduced below. All citizens are urged to exercise their democratic right to choose which of the two alternative policies they prefer. It will be the people's decision and their decision will be respected.

### ELECTRIFICATION PLEBISCITE

**Do you favour the generation and distribution of electricity being continued by the Power Companies as at present?**

**OR**

**Do you favour the generation and distribution of electricity being made a publicly-owned utility administered by the Alberta Government Power Commission?**

**Mark the figure "1" next to your choice.**



**GOVERNMENT OF THE PROVINCE OF ALBERTA**

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